



IT'S NOT A FEAT OF SCIENCE: CLONED VEHICLES ARE A CRIME

The Facts

Enterprising criminals continue to invent new scams to defraud insurers and consumers. One innovative vehicle theft scheme involves copying a vehicle identification number (VIN) from a legally owned and documented vehicle sitting in a parking lot or vehicle dealership. The VIN is then used as the basis to create counterfeit VIN tags.

The next step in the cloning process is to steal a vehicle similar to the one from which the criminal lifted the legitimate VIN. The stolen vehicle's legitimate VIN tag is replaced with the counterfeit one. With this counterfeit tag, the stolen vehicle is now a "clone" of the original vehicle that was legally owned and innocently parked in a lot. With the counterfeit VIN tag, the stolen vehicle can easily be sold without detection by government agencies.

To complete the scenario, criminals will create counterfeit ownership documents for the cloned vehicle or obtain the ownership documentation under false pretenses. They use this phony documentation to sell the stolen vehicle to an innocent purchaser.

Vehicle cloning is a highly lucrative crime. Car thieves often travel across state and international borders to sell cloned vehicles at the highest prices. Most licensing agencies do not check for duplicate ownership when an out-of-state ownership document is surrendered, so the odds of discovery are low. It is also easy to simultaneously insure the same VIN in different locations.

Fraud Prevention Tips

The National Insurance Crime Bureau suggests that to avoid purchasing a cloned vehicle:

- Check the vehicle's VIN with appropriate government agencies or your state bureau of motor vehicles.
- Analyze the ownership pattern for any new or late model vehicle with no lien holder.
- Be careful about purchasing a used vehicle from an individual running a newspaper ad and using a cell phone number.
- Conduct a title search of the vehicle.
- If possible, have your insurer inspect the vehicle prior to purchase.
- Trust your instincts: If you don't like the answers or the deal sounds too good to be true, walk away!

**IF YOU SUSPECT INSURANCE FRAUD OR THEFT, SPEAK UP! CALL THE NICB
TOLL-FREE HOTLINE...1.800.TEL.NICB (1.800.835.6422). YOUR CALL IS FREE.
YOUR CALL CAN BE ANONYMOUS. YOU COULD BE ELIGIBLE FOR A REWARD.**